

Message Text

CONFIDENTIAL

PAGE 01 ROME 12018 021929Z

43

ACTION EB-03

INFO OCT-01 SS-14 ISO-00 EUR-10 NSC-10 NSCE-00 CIAE-00

INR-10 NSAE-00 RSC-01 COME-00 TRSE-00 CIEP-01 SPC-01

NEA-06 EA-13 L-02 PM-03 DODE-00 DRC-01 IO-03 /079 W

----- 017676

R 021610Z NOV 73 ZEL
FM AMEMBASSY ROME
TO SECSTATE WASHDC 1643
INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY COPENHAGEN
AMEMBASSY THE HAGUE
AMEMBASSY JIDDA
AMEMBASSY KUWAIT
AMEMBASSY LUXEMBOURG
AMEMBASSY LONDON
AMEMBASSY PARIS
AMEMBASSY TOKYO
USMISSION EC BRUSSELS
USMISSION OECD PARIS
USCINCEUR
USNMR SHAPE

C O N F I D E N T I A L ROME 12018

LIMDIS

E.O. 11652: GDS

TAGS: ENRG, IT

SUBJECT: ITALIAN VIEWS ON OIL DEVELOPMENTS

REF: ROME 11489 NOTAL

1. BEGIN SUMMARY - SENIOR MINISTRY OF INDUSTRY ENERGY OFFICIAL
INFORMED EMBOFFS OF GOI PLANS FOR PETROLEUM PRODUCT RATIONING, DIS-
CUSSED ITALIAN VIEWS SUPPLY SITUATION RESULTING FROM ARAB EMBARGO,
AND PROVIDED COMMENTARY ON OCTOBER 25-26 OECD HLG AND OIL COMMITTEE
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 ROME 12018 021929Z

MEETINGS. END SUMMARY.

2. RISTAGNO, DG ENERGY OFFICE MINISTRY OF INDUSTRY INFORMED EMBOFFS CONFIDENTIALLY IN OCTOBER 31 MEETING THAT GOI HAS FINALLY GEARED UP FOR PRODUCT RATIONING WHICH A MATTER OF WEEKS AWAY. HE STATED THAT DE FACTO RATIONING ALREADY EXISTS, DUE TO LARGE COMPANIES BEING FORCED TO CUT BACK DELIVERIES BY UP TO 15 PERCENT AND SOME SMALLER INDEPENDENTS BEING HIT EVEN HARDER -- EG., API (ANONIMA PETROLI ITALIANA) ITALY'S MOST IMPORTANT CUSTOMER FOR RUSSIAN CRUDE, HAVING RECEIVED NOTICE OF A 50 PERCENT CUTBACK IN SUPPLY FROM USSR. RISTAGNO INDICATED THAT RATIONING QUESTION EXTREMELY SENSITIVE POLITICALLY IN GOI, AND THAT TIMING OF ANNOUNCEMENT OF MEASURES LIKELY TO BE SHORTLY FOLLOWING REGIONAL (TRENTINO-ALTO ADIGE) AND COMMUNAL ELECTIONS SCHEDULED FOR NOVEMBER 18. GOVERNMENT IS NOW ASKING COMPANIES TO PROVIDE REVISED SUPPLY CAPABILI-

TIES THROUGH END OF YEAR IN VIEW OPEC PRODUCTION CUTBACKS, AND ON BASIS THIS DATA WILL DECIDE PRODUCT COVERAGE AND EXTENT OF RATIONING. GAS OIL AND KEROSENE ARE THE ITEMS IN CRITICALLY SHORT SUPPLY FOR TIME BEING AND LIKELY TO BE SUBJECT TO RATIONING. GASOLINE SITUATION ON OTHER HAND APPEARS TO BE OK AT LEAST THROUGH THIS WINTER.

3. GOVT HAS ALSO TIGHTENED UP REGULATIONS REGARDING EXPORT OF PETROLEUM PRODUCTS REFINED FOR THIRD PARTIES WHICH HERETOFORE ENTERED FREELY UNDER "TEMPORARY" IMPORT SYSTEM AND WERE NOT SUBJECT TO SEPTEMBER 30 EXPORT LICENSING MEASURES (ROME 10913 NOTAL). HENCEFORTH, PERMISSION FOR SUCH "TEMPORARY" IMPORTS WILL HAVE TO COME FROM MINISTRY OF FINANCE RATHER THAN THROUGH LOCAL CUSTOMS OFFICIALS, AS IN PAST. RISTAGNO FELT THE MEASURES WOULD SERVE TO SLOW DOWN RATHER THAN COMPLETELY BLOCK THE FLOW OF THESE REFINED PRODUCTS. LARGE INDEPENDENT REFINERS -- EG., MORATTI, MONTI--HAVE TRADITIONALLY DONE A CONSIDERABLE AMOUNT OF SUCH REFINING FOR THIRD PARTIES, SOME OF WHICH UNDOUBTEDLY US.

4. REGARDING ARAB EMBARGO AGAINST NETHERLANDS AND IMPLICATIONS FOR ITS EC PARTNERS, RISTAGNO EXPRESSED SERIOUS CONCERN. HE FEELS THAT DUTCH COMPLETELY JUSTIFIED IN THROWING THE MATTER INTO LAP OF ITS COMMUNITY PARTNERS (USEC BRUSSELS 6198 NOTAL). ALTHOUGH EXPRESSING SOLIDARITY FOR DUTCH POSITION, RISTAGNO FEARS CONSEQUENCE OF FRG TURNING TO ITALY FOR PRODUCTS NO LONGER AVAILABLE FROM NETHERLANDS.

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 ROME 12018 021929Z

5. RISTAGNO OFFERED PERSONAL VIEW THAT GOI REMAINS IN GOOD STANDING WITH ARABS, BUT QUESTIONED WHAT THAT MAY BE WORTH IN VIEW OF KNOWN ARAB UNPREDICTABILITY. HE COMMENTED THAT CERTAIN (UNIDENTIFIED) GOI POLITICAL CIRCLES HAVE EXPRESSED DISAPPOINTMENT WITH LACK OF GREATER ARAB APPRECIATION FOR ITALY'S CONCERTED EFFORT TO AVOID TAKING SIDES IN MIDEAST CONFLICT.

6. IN VOLUNTEERING HIS VIEWS ON OCTOBER 25-26 OECD OIL MEETINGS,

RISTAGNO CHARACTERIZED ATMOSPHERE AS THAT OF MUNICH IN 1938 -- IE.,
AN AIR OF CAPITULATION TO ARABS. HE SINGLED OUT THE LARGE
JAPANESE DELEGATION WHICH HE SAID WAS RELUCTANT TO SAY PRACTICALLY
ANYTHING FOR FEAR THAT IT MIGHT BE CONSTRUED AS ANTAGONIZING ARABS.

7. COMMENT: THIS MEETING WITH RISTAGNO GENERATED AN AIR OF MUCH
GREATER GOI CONCERN ABOUT OIL SITUATION AS OPPOSED TO MORE
RELAXED ATMOSPHERE OF OUR PREVIOUS MEETINGS WITH HIM. OF PARTICULAR
IMPORTANCE IS FACT THAT GOI HAS FINALLY -- ALBEIT RELUCTANTLY--
MOBILIZED ITSELF TO FACE UNPLEASANT PROSPECT OF RATIONING.
RISTAGNO'S COMMENTS ALSO SUGGESTED A GROWING AWARENESS OF POTENTIALLY
SERIOUS CONSEQUENCES OF SURFACING OF DISSENSION OVER OIL WITHIN
COMMUNITY AS WELL AS BETWEEN US, EC, AND JAPAN. VOLPE

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, EXPORTS, EMBARGOES, COMMITTEE MEETINGS, EXPORT LICENSES, REFINERIES
Control Number: n/a
Copy: SINGLE
Draft Date: 02 NOV 1973
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973ROME12018
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: n/a
From: ROME
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731158/aaaabqrc.tel
Line Count: 128
Locator: TEXT ON-LINE
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: LIMDIS
Reference: ROME 11489 NOTAL
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 02 AUG 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <02-Aug-2001 by kellerpr>; APPROVED <21-Nov-2001 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ITALIAN VIEWS ON OIL DEVELOPMENTS
TAGS: ENRG, IT, XF, EG, NL
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005